

USAID's Organizational Capacity Assessment (OCA) Overview

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Introduction

This organizational capacity assessment is designed for organizations funded by the US Government to both build the capacity of to become a stronger, more mature entity and, through the guided self-assessment, measure USG investments in its capacity development efforts.

The OCA Tool

The organizational capacity assessment is designed to measure organizations' overall capacity and, as a subset of this, each organization's capability to manage and implement USG funded programs. The tool assesses capability in eight key capacity areas:

1. Governance
2. Administration
3. Human Resources Management
4. Financial Management
5. Organizational Management
6. Program Management
7. Project Performance Management
8. Leadership and Team Dynamics

Each of the eight sections has more detailed subsections. For example, the section on governance is made up of: vision/ mission, organizational structure, board composition and responsibility, legal status, and succession planning. Each sub-section is broken down further into four stages of organizational capacity development ranked from one, indicating low capacity, to four, indicating strong capacity. Some sub-sections pertain more directly than others to an organization's ability to manage USG funds. These sub-sections are marked with a star and their scores will be compiled into a USG Grants Implementation Capacity score. In addition, each section will receive a compiled score and an overall organizational capacity score aggregating all sections will be calculated. This approach to scoring will help the OCA team and the organization identify key strengths and priority need areas. In addition it will enable the team to document progress in key areas, with particular attention to capability in USG implementation of its funding, and monitor organizational capacity improvement over time.

Recognizing that organizational development is a process, the use of the OCA tool results in concrete action plans, to provide organizations with a clear organizational development road map. The use of the OCA is also repeated on an annual basis, to monitor the effectiveness of previous actions, evaluate progress in capacity improvement and identify new areas in need of strengthening.

Preparation

Prior to conducting the OCA, the organization will be provided with a letter describing the process and confirming the dates; a list of documents to have on hand to assist the process; a list of staff members who should participate and a description of the type of facility that might be needed for the plenary meetings. A set of questions for staff and board members will also be submitted to the organization so that inputs on selected issues can be collected in advance of the OCA process.

Approach

The team: The OCA is implemented through a guided self assessment consisting of an OCA team composed of organizational development, financial and technical specialists (from the USG possibly combined with some skills represented by local firms) and representatives from the organization's management, administration, finance and technical departments.

Time: The initial OCA will take approximately three days to complete and results in an agreed action plan that maps priority areas and the actions the organization will take to address problems or gaps.

Illustrative Schedule

Day 1	
Morning	<ul style="list-style-type: none">• Introduction
Afternoon	<ul style="list-style-type: none">• Sub-Group Assessment, Scoring and Actions for each section
Day 2	
Morning	<ul style="list-style-type: none">• Sub-Group Assessment, Scoring and Actions for each section
Afternoon	<ul style="list-style-type: none">• Organization: Score Review and Prioritization
Day 3	
Morning	<ul style="list-style-type: none">• Action Planning
Afternoon	<ul style="list-style-type: none">• Next Steps• Evaluation of OCA process

Steps: The OCA process will be conducted in five steps as noted below.

Step 1: Introduction. The assembled organization's representatives and the organizational assessment team will discuss the purpose of the OCA, review the tool, process and schedule; identify sub-groups to review specific sections and sub-sections and determine scores and proposed actions to address problems or gaps, and decide on the schedule for section reviews.

Step 2: Assessment, Scoring and Action Identification. The objective of this step is to identify the organization's capacity level in each sub-section of the OCA and the justification for the proposed score. Step 2 will include assessment and scoring by sub-groups. For example, the finance specialist and the organization's financial manager may form the sub-team responsible for reviewing and scoring financial management while the OD Specialist and representatives from the organization's management and board may sit together to review the governance section and sub-sections. Sub-groups will record scores, justifications for the scores and potential remedial actions on the OCA scoring and rationale worksheet. Step 2 will be spread over two days.

Step 3: Plenary Score Review and Prioritization. In Step 3, the organization's participants will reassemble internally to review the scoring and rationale worksheets. The subgroups will share, review and come to consensus on the findings, recommended and proposed scores. They will prioritize each issue: high, low or moderate to inform the action plan to concentrate on the most urgent issues first.

Step 4: Action Planning. In Step 4, the organization's team members and the organizational assessment team finalize the action plan by reviewing the issues and actions proposed in the scoring and rationale worksheets and elaborating the steps, timing and responsibility for each action item as well as the need for any external capacity development interventions, tools, or resources. This review can be done in plenary or small groups depending on the number of participants. The detailed action steps are incorporated into an electronic version of the action plan for final review.

Step 5: Action Plan Review and Process Wrap Up. The team discusses the need and role of USG and any other assistance needed to assist organization development, technical assistance requirements and next steps.

Follow-up: While the action plan is completed at the end of day 3, a revised/finalized action plan may need to be compiled by the organization in the days following the assessment process. The final action plan should be available no more than ten days following the OCA as it will be used as a road map for organizational development.

Documentation: The organizational assessment team will compile an OCA report (which should be computerized) for each organization that will detail:

A. Scores as follows:

1. Overall organizational capacity score
2. USG grants/contracts implementation capacity score
3. Section capacity scores
4. Sub-section capacity scores

B. Problem or gap summary

C. Technical Assistance (TA) needs

D. Finalized Action Plan: the action plan will include:

- Sub-section and sub-section type
- The problem
- Current capacity score
- Any action to be taken
- Action monitoring strategy
- Person responsible for ensuring the action is realized
- Assistance needed to support realization of the action
- Estimated action completion date and status

Repeat: The OCA process is repeated on an annual basis during the life of an award to monitor organizational development, identify persistent or new problems, and establish new action plans from which to continue the OD process. The final OCA is ideally completed within three months of an USG award end date to ensure the comprehensive measurement while allowing time for proper award close out.